

against their own interests. But the wise man remembers that in all human affairs no rise or fall can be continuous and without stay; success must follow failure, and failure, success, or neither could exist, and the descriptive terms, therefore, would become meaningless. The region of finance, like the phenomena of Nature, is equally subject to a rhythmic order.

No security, obviously, from the nature of the case, can ascend or descend beyond a limited stage, the end of which (if it be an investment of any value) is marked by its yielding a rate of return about equal to the general remunerative rate ; and the watchful man accordingly sells or buys as it appears to be verging on the limit of its ascent or fall. If the general rate of interest in sound securities be 11 per cent, the extreme*, points of value of an investment are indicated by its yielding this rate, taking of course into account any premium or discount (that is, the excess beyond or defect below the amount at which it will be redeemed, if repayable, or, if shares in a joint stock company, the sum paid up per share).

This golden rule has an admirable* Bound ; but it is futile, unless it is capable of being embodied in some practical workable shape. For all general rules are necessarily somewhat indefinite in character,---being deduced from concrete individual instances, whence all irrelevant elements have been removed ; and the application of them to actual cases, though never completely exact, furnishes the test of a man's superiority of sagacity and discriminates judgment. An explanation (so far as a decline in price is concerned) has been supplied by an author of ability, to the effect that when a person has been ill, the only way in which it can be discovered that he has passed the worst, or critical stages and has entered on the improving period, is the indication shown of him getting better. But this is a mere analogy; useful as a general *illustration*, but idle as a working criterion in other spheres of observation.

Analogies are constantly leading us astray, by being used as arguments in place of pictures, and the transfer from experiences in one department of thought or activity to another region with different phases and conditions forms

one of our besetting sources of error, The truth
must be gained in the